

Borussia Dortmund GmbH & Co. KGaA

WKN: 549309 | ISIN: DE0005493092 | Bloomberg: BVB GY

2023 so far promising for BVB

H1 figures in line with expectations: Yesterday, Tuesday, BVB published its figures for H1 22/23 (ended 12/31/22). Overall, the figures were so far within the range of basic expectations. The share also moves positively so far in 2023 and was able to stabilize above EUR 4.00. In H1, consolidated sales of EUR 222m were achieved, while we expected around EUR 220m. EBITDA came in at EUR 80.8m, while we expected EUR 78m. After depreciation and amortization, EBIT came in at EUR 50.6m. Overall, Group earnings after taxes came to EUR 40.2m. We budgeted for EUR 38m and thus achieved a relatively precise precision landing. Transfer revenues in H1 amounted to EUR 87.9m, around EUR 20 million below the prior-year H1 figure. In Q2, transfer fees were around EUR 27m, which was just below our estimate of EUR 29m.

2023 is going very well so far: Although BVB had a solid start to the season, the team gave up some unnecessary points in the final match days before the World Cup break. On matchday 15 (the last before the World Cup break), they lost 4:2 away at Borussia Mönchengladbach. Since the start after the World Cup break, BVB has not lost in the Bundesliga in 2023 and has won all its matches. Currently BVB is equal on points with FC Bayern in 2nd place (worse goal difference). In the National Cup, BVB reached the round of 16 and defeated VFL Bochum away with 2:1. In the quarterfinals at the beginning of April, RB Leipzig awaits in the game for entry into the semifinals. After a bumpy start, the team also qualified for the knockout round in the CL as 2nd behind ManCity and met Chelsea there. The first leg was won 1-0 and the second leg will take place on 7.3. in Chelsea.

Unchanged estimates for 2022/2023e: After Since H1 figures were in line with expectations, we currently see no need to adjust our estimates. We continue to expect revenues of EUR 433m, as well as a net result of EUR -5.8m. From 2023/2024e, we expect a net result at break-even level again (EUR -0.2m), should the pandemic slowly come to an end after this season.

Target price of EUR 5.00 and BUY recommendation remains unchanged: However, will be adjusted if necessary.

| FY End: 30.06.; in EURm | CAGR (21-23e) | 18/19 | 19/20 | 20/21 | 21/22 | 22/23e | 23/24e |
|-------------------------|---------------|-------|--------|--------|--------|--------|---------|
| Sales | 6.5% | 370.3 | 370.2 | 334.2 | 337.0 | 433.0 | 451.0 |
| EBITDA | 14.8% | 116.0 | 63.0 | 39.0 | 66.7 | 96.1 | 97.4 |
| Margin | | 31.3% | 17.0% | 11.7% | 19.8% | 22.2% | 21.6% |
| EBIT | n.m. | 23.5 | -43.1 | -72.1 | -40.7 | -6.9 | -0.3 |
| Margin | | 6.3% | -11.7% | -21.6% | -12.1% | -1.6% | -0.1% |
| Net result | n.m. | 17.4 | -44.0 | -72.8 | -34.6 | -5.8 | -0.2 |
| EPS, EUR * | n.m. | 0.18 | -0.46 | -0.76 | -0.33 | -0.05 | 0.00 |
| Dividend per share, EUR | | 0.06 | 0.00 | 0.00 | 0.06 | 0.08 | 0.08 |
| EV | | 1.1 | 1.1 | 1.9 | 1.5 | 1.2 | 1.1 |
| EV/Sales | | 3.6 | 6.6 | 16.6 | 7.6 | 5.3 | 5.2 |
| EV/EBITDA | | 25.2 | n.m. | n.m. | n.m. | n.m. | -2201.8 |
| P/E * | | -0.5 | -0.9 | -2.0 | -0.1 | 0.0 | 0.2 |
| Net debt/EBITDA | | -0.5 | -0.9 | -2.0 | 0.2 | 0.3 | 0.5 |

Source: BVB, FMR * adjusted for capital increase

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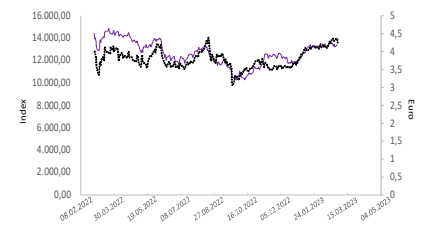
BUY

Before: BUY

Price Target EUR 5.00 (5.00)
Share price* EUR 4.26 (+17%)

*last closing price XETRA

| Change | 21/22e | 22/23e | 23/24e |
|-------------|--------|--------|--------|
| Sales, EURm | - | - | - |
| EBIT, EURm | - | - | - |
| EPS, EUR * | - | - | - |



Source: XETRA, 22.08.22, FMR

Basic share data

| | |
|----------------------------|---------|
| Number of shares (million) | 110.4 |
| Free Float (in %) | 72.3% |
| Market Cap (in EURm) | 470 |
| Trading volume 30 D.(Ø) | 137,915 |
| High (EUR, 52 weeks) * | 4.40 |
| Low (EUR, 52 weeks) * | 2.99 |

Shareholder structure

| | |
|--------------------|-------|
| Evonik Industries | 8.2% |
| Bernd Geske | 8.2% |
| Free float, others | 83.6% |

Corporate calendar

| | |
|------------------|------------|
| 9M figures 22/23 | 12.05.2023 |
|------------------|------------|

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Appendix P&L
Borussia Dortmund: P & L

| in EURm (IFRS) | 19/20 | 20/21 | 21/22 | 22/23e | 23/24e |
|--|--------------|--------------|--------------|--------------|--------------|
| Revenues | 370.2 | 334.2 | 337.0 | 433.0 | 451.0 |
| YoY growth | 0.0% | -9.7% | 0.8% | 28.5% | 4.2% |
| Cost of revenues | -22.4 | -19.6 | -20.9 | -26.0 | -26.6 |
| as % of revenues | -6.1% | -5.9% | -6.2% | -6.0% | -5.9% |
| Gross Profit | 347.8 | 314.6 | 316.1 | 407.0 | 424.4 |
| as % of revenues | 93.9% | 94.1% | 93.8% | 94.0% | 94.1% |
| Personnel costs | -215.1 | -215.7 | -175.2 | -220.0 | -227.8 |
| as % of revenues | -58.1% | -64.5% | -52.0% | -50.8% | -50.5% |
| Other operating income/expenses | -69.8 | -60.0 | -74.1 | -90.9 | -99.2 |
| as % of revenues | -18.8% | -17.9% | -22.0% | -21.0% | -22.0% |
| EBITDA reported | 63.0 | 39.0 | 66.7 | 96.1 | 97.4 |
| as % of revenues | 17.0% | 11.7% | 19.8% | 22.2% | 21.6% |
| Depreciation and amortisation (incl. PPA) | -106.1 | -111.0 | -107.4 | -103.0 | -97.7 |
| as % of revenues | -28.7% | -33.2% | -31.9% | -23.8% | -21.7% |
| Reported EBIT | -43.1 | -72.1 | -40.7 | -6.9 | -0.3 |
| as % of revenues | -11.7% | -21.6% | -12.1% | -1.6% | -0.1% |
| Net financial results incl. equity results | -3.5 | -1.1 | 0.0 | 0.0 | 0.0 |
| EBT (Earnings before income taxes) | -46.6 | -73.2 | -40.7 | -6.9 | -0.2 |
| as % of revenues | -12.6% | -21.9% | -12.1% | -1.6% | -0.1% |
| Income taxes | 2.6 | 0.3 | 6.1 | 1.0 | 0.0 |
| as % of EBT | -5.6% | -0.5% | -15.0% | -15.0% | -15.0% |
| Income from continuing operations | -44.0 | -72.8 | -34.6 | -5.8 | -0.2 |
| as % of revenues | -11.9% | -21.8% | -10.3% | -1.3% | 0.0% |
| Income from discontinuing operations, net of taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income | -44.0 | -72.8 | -34.6 | -5.8 | -0.2 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income attributable to shareholders | -44.0 | -72.8 | -34.6 | -5.8 | -0.2 |
| as % of revenues | -11.9% | -21.8% | -10.3% | -1.3% | 0.0% |
| Shares outstanding (in m) | 92.0 | 92.0 | 105.8 | 110.4 | 110.4 |
| Basic earnings per share (EUR) | -0.46 | -0.76 | -0.33 | -0.05 | 0.00 |

Source: Borussia Dortmund, FMR

Balance Sheet

Bor. Dortmund: Balance sheet total

| in EURm (IFRS) | 19/20 | 20/21 | 21/22 | 22/23e | 23/24e |
|---|--------------|--------------|--------------|--------------|--------------|
| Assets | | | | | |
| Non-current assets | 441.5 | 389.8 | 352.5 | 329.5 | 314.8 |
| as % of total assets | 85.2% | 86.5% | 78.4% | 73.6% | 69.4% |
| Intangible assets (incl. Goodwill) | 229.7 | 193.4 | 163.4 | 143.4 | 133.4 |
| Property, plant and equipment | 193.0 | 183.5 | 176.2 | 173.2 | 168.5 |
| Long-term investments | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Deferred tax assets, long-term | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other assets | 18.4 | 12.5 | 12.5 | 12.5 | 12.5 |
| Current assets | 76.5 | 60.7 | 97.3 | 118.0 | 138.8 |
| as % of total assets | 14.8% | 13.5% | 21.6% | 26.4% | 30.6% |
| Inventories | 6.8 | 6.8 | 6.9 | 7.0 | 7.2 |
| Accounts receivable and other assets | 66.1 | 52.2 | 90.3 | 94.8 | 99.6 |
| Current income tax claims | 0.4 | 0.1 | 0.1 | 0.1 | 0.1 |
| Cash and cash equivalents | 3.3 | 1.7 | 0.0 | 16.1 | 32.0 |
| Total assets | 518.0 | 450.5 | 449.8 | 447.5 | 453.6 |
| Shareholders' equity and liabilities | | | | | |
| Shareholders' equity | 305.5 | 232.6 | 284.5 | 285.0 | 293.6 |
| as % of total equity and liabilities | 59.0% | 51.6% | 63.3% | 63.7% | 64.7% |
| Subscribed capital | 92.0 | 92.0 | 110.4 | 110.4 | 110.4 |
| Capital reserve | 213.6 | 140.7 | 208.8 | 208.8 | 208.8 |
| Treasury stocks | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 |
| Other equity items | 0.0 | 0.0 | -34.6 | -34.1 | -25.4 |
| Minority interest on equity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current provisions/liabilities | 89.9 | 54.3 | 51.0 | 52.4 | 53.9 |
| as % of total equity and liabilities | 17.4% | 12.0% | 11.3% | 11.7% | 11.9% |
| Non-current pension provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non-current provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current financial liabilities | 20.1 | 16.8 | 1.7 | 1.6 | 1.6 |
| Non-current deferred tax liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non-current liabilities | 69.8 | 37.5 | 49.3 | 50.8 | 52.3 |
| Current liabilities and provisions | 122.6 | 163.6 | 114.3 | 110.1 | 106.1 |
| as % of total equity and liabilities | 23.7% | 36.3% | 25.4% | 24.6% | 23.4% |
| Other provisions | 0.0 | 2.3 | 2.4 | 2.4 | 2.5 |
| Financial liabilities | 12.4 | 61.1 | 1.8 | 1.8 | 1.8 |
| Accounts payable | 67.4 | 64.1 | 64.1 | 62.2 | 60.3 |
| Current prepayments received | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tax liabilities | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Current deferred tax liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other liabilities | 42.7 | 36.0 | 45.8 | 43.5 | 41.4 |
| Advance payments received | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total equity and liabilities | 518.0 | 450.5 | 449.7 | 447.5 | 453.6 |

Source: Borussia Dortmund, FMR

Cash Flow Statement

Bor. Dortmund: Cashflow statement

| in EURm (IFRS) | 19/20 | 20/21 | 21/22 | 22/23e | 23/24e |
|--|--------------|--------------|--------------|--------------|--------------|
| EBT | -46.6 | -73.2 | -40.7 | -6.9 | -0.2 |
| Depreciation and amortisation | 106.1 | 111.0 | 107.4 | 103.0 | 97.7 |
| Change in pension and similar provisions | | | | | |
| Other transactions incl. non-cash | -41.9 | -15.1 | 3.5 | 0.8 | 0.0 |
| Change in Working Capital | -18.0 | -6.9 | -28.4 | -8.8 | -8.9 |
| Cashflow from operating activities | -0.4 | 15.9 | 41.9 | 88.1 | 88.6 |
| CAPEX | -50.9 | -62.0 | -70.1 | -50.0 | -50.0 |
| Change in consolidation, net cash | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other investing activities | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cashflow from investing activities | -50.8 | -62.0 | -70.1 | -50.0 | -50.0 |
| Change in debt | 0.0 | 56.9 | -74.4 | -0.1 | -0.1 |
| Net proceeds from capital increase & right capital & change in capital reserve | 0.0 | 0.0 | 86.5 | 0.0 | 0.0 |
| Dividend payments | -5.5 | 0.0 | 0.0 | 6.3 | 8.8 |
| Acquisition of treasury shares & minority stakes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other financing activities | -3.9 | -4.4 | 0.0 | 0.0 | 0.0 |
| Cashflow from financing activities | -9.4 | 52.5 | 12.1 | 6.3 | 8.8 |
| Total change in cash and cash equivalents | -60.6 | 6.4 | -16.2 | 44.4 | 47.4 |
| Effect of exchange rate changes on cash | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 |
| Other changes in cash and cash equivalents | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash and cash equivalents at the start of the period | 55.9 | -4.7 | 1.7 | -14.3 | 30.1 |
| Cash and cash equivalents: End of period | -4.7 | 1.7 | -14.3 | 30.1 | 77.5 |
| of which | | | | | |
| Cash and equivalents | 3.3 | 1.7 | 0.0 | 16.1 | 32.0 |
| Current account | -8.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Borussia Dortmund, FMR

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b) Time conditions of expected updates: quarterly

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| Company | Disclosure(s) |
|-----------------------------------|---------------|
| Borussia Dortmund GmbH & Co. KGaA | vi |

Recommendation history over last 12 months:

| Date | Recommendation | Share price at publication date (EUR) | Price target (EUR) |
|------------|----------------|---------------------------------------|--------------------|
| 12.05.2022 | BUY | 3.80 | 5.00 |
| 25.05.2022 | BUY | 3.86 | 5.00 |
| 23.08.2022 | BUY | 3.72 | 5.00 |
| 17.11.2022 | BUY | 3.53 | 5.00 |
| 01.03.2023 | BUY | 4.26 | 5.00 |

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FMR Frankfurt Main Research AG

Registered office: Frankfurt am Main; Commercial Register No. HRB 113537, Frankfurt am Main district court; Chairman: Marcus Silbe

b) Issuer

Marcus Silbe (CEFA), Head of Research, Senior Equity Analyst

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Investment recommendation details - stocks:

BUY: In our opinion, the stock will demonstrate an absolute price gain of at least 10 % in a 12-month period.

HOLD: In our opinion, the stock will not exceed or fall below an absolute price gain or loss of 10% in a 12-month period.

Sell: In our opinion, the stock will demonstrate an absolute price loss of at least 10 % in a 12-month period.

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